

VILLAGE OF NAPOLEONVILLE, LOUISIANA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2014

TABLE OF CONTENTS

	Page No.
<u>INDEPENDENT AUDITORS' REPORT</u>	
Independent Auditors' Report	1 - 2
<u>REQUIRED SUPPLEMENTARY INFORMATION – Part I</u>	
Management's Discussion and Analysis	3 - 8
<u>BASIC FINANCIAL STATEMENTS</u>	
<u>Government-Wide Financial Statements (GWFS):</u>	
Statement of Net Position	9
Statement of Activities	10
<u>Fund Financial Statements (FFS):</u>	
<u>Governmental Fund:</u>	
Balance Sheet	11
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures, and Changes in Fund Balance	13
Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	14
<u>Proprietary Fund:</u>	
Statement of Net Position	15
Statement of Revenues, Expenses, and Changes in Fund Net Position	16
Statement of Cash Flows	17
<u>Notes to Financial Statements</u>	18 - 30

TABLE OF CONTENTS

REQUIRED SUPPLEMENTARY INFORMATION – Part II

Budgetary Comparison Schedule:

General Fund	31
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SUPPLEMENTARY INFORMATION

Schedule of compensation, benefits and other payments to Chief Executive Officer	32
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REPORTS REQUIRED BY *GOVERNMENTAL AUDITING STANDARDS*

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	33 - 34
Schedule of Findings and Responses	35 - 36
Summary Schedule of Prior Audit Findings	37

OTHER SUPPLEMENTARY INFORMATION REQUIRED BY USDA

Sewer Customers and Rates	38
Aged Accounts Receivables	38
Insurance in Force	38
Mayor and Board of Alderman	38

INDEPENDENT AUDITORS' REPORT

The Honorable Ron Animashaun, Mayor
and Members of the Village Council
Village of Napoleonville, Louisiana

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the Village of Napoleonville, Louisiana, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and the guide require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village of Napoleonville, Louisiana, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows, thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 31 to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considered it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Napoleonville's basic financial statements. The schedule of compensation, benefits and other payments to chief executive officer and the schedules of sewer customers and rates, aged accounts receivable, insurance in force and Mayor and Board of Alderman, as required by the U.S. Department of Agriculture are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of compensation, benefits and other payments to chief executive officer and the schedules of sewer customers and rates, aged accounts receivable, insurance in force and Mayor and Board of Alderman are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits and other payments to chief executive officer and the schedules of sewer customers and rates, aged accounts receivable, insurance in force and Mayor and Board of Alderman is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2015, on our consideration of the Village of Napoleonville, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of Napoleonville, Louisiana's internal control over financial reporting and compliance.

Porttuthurath & Metterville

June 19, 2015
Gonzales, Louisiana

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Village of Napoleonville's (the Village) annual financial report presents our discussion and analysis of the Village's financial performance for the year ended December 31, 2014. The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the Village's financial statements.

Financial Highlights

- At December 31, 2014, the Village's combined total assets exceeded its liabilities by \$3,762,451 (net position). Net position of the governmental activities were \$657,860 while those of the business-type activities were \$3,104,591.
- For the year ended December 31, 2014, the Village's total net position decreased by \$56,904.
- At December 31, 2014, the Village's working capital (current assets less current liabilities) was \$209,147 or a decrease of \$52,509 from 2013.
- At December 31, 2014, the Village's governmental activities reported net position of \$657,860. Of this amount, \$151,529 is available for spending at the Village's discretion (unrestricted net position).
- At December 31, 2014, the Village's proprietary fund reported net position of \$3,104,591. Of this amount, \$61,321 is available for spending at the Village's discretion (unrestricted net position).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances in a manner similar to a private-sector business.

The **Statement of Net Position** presents information on the Village's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net position. Over time, the increases in net position and changes in the components of net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The **Statement of Activities** presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused annual leave).

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

In both of the government-wide financial statements, the Village's activities are divided into two types:

- Governmental activities – Most of the Village's basic services are reported here, including the general government, public safety, highways and streets, and sanitation. These activities are financed primarily by property taxes, franchise taxes, sales taxes, and fines.
- Business-type activities – The Village charges a fee to customers to help it cover all of the cost of services provided. The Village's sewer utility system is reported in this section.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Village uses two categories of funds to account for financial transactions: governmental funds and proprietary funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

- Governmental funds are used to account for most of the Village's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs.
- Proprietary funds account for sewer utility services provided by the Village to its customers. Proprietary funds statements provide the same type of information as the government-wide financial statements, but the fund presentation provides more detail.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Village's more immediate decisions on the current use of financial resources. Both the governmental fund **Balance Sheet** and the governmental fund **Statement of Revenues, Expenditures and Changes in Fund Balances** provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

	Net Position December 31, 2014		
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$184,158	\$82,456	\$266,614
Restricted cash	-	94,627	94,627
Capital assets, net	506,331	3,748,147	4,254,478
Total Assets	690,489	3,925,230	4,615,719
Current liabilities	15,903	41,564	57,467
Long-term liabilities	16,726	779,075	795,801
Total Liabilities	32,629	820,639	853,268
Net investment in capital assets	506,331	2,948,643	3,454,974
Restricted for			
Debt service	-	94,627	94,627
Unrestricted	151,529	61,321	212,850
Total Net Position	\$657,860	\$3,104,591	\$3,762,451

The largest portion of the Village's net position reflects its investment in capital assets (land, buildings, equipment, infrastructure, and improvements) net of any outstanding related debt used to acquire those capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

**Changes in Net Position
Year Ended December 31, 2014**

	Governmental Activities	Business-type Activities	Total
Program revenues	\$194,842	\$110,300	\$305,142
General revenues	161,355	55	161,410
Total Revenues	356,197	110,355	466,552
Operating expenses	343,153	180,303	523,456
Change in net position	13,044	(69,948)	(56,904)
Net position - beginning	644,816	3,174,539	3,819,355
Net position - end	\$657,860	\$3,104,591	\$3,762,451

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Village's Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's general fund, its only governmental fund, is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Village's net resources available for spending at the end of the year.

At the end of the current year, the Village's governmental funds reported a fund balance of \$168,255, all of which is unassigned and available for spending at the Village's discretion.

The following schedule presents a summary of governmental fund revenues and expenditures for the fiscal year ended December 31, 2014, and the amount and percentage of increases and decreases in relation to the prior year.

Revenues	FYE 2014 Amount	Percent of Total	FYE 2013 Amount	Increase (Decrease) from FYE 2013	Percent Increase (Decrease)
Taxes	\$156,000	43.80%	\$175,119	\$(19,119)	(10.92%)
Intergovernmental	51,552	14.47%	33,357	18,195	54.55%
Charges for services	52,976	14.87%	54,176	(1,200)	(2.22%)
Fines and forfeitures	3,171	.89%	5,558	(2,387)	(42.95%)
Licenses and permits	71,588	20.10%	68,175	3,413	5.01%
Rental income	18,930	5.31%	21,910	(2,980)	(13.60%)
Interest	93	0.02%	88	5	5.68%
Miscellaneous	1,887	.54%	5,082	(3,195)	(62.87%)
Total Revenues	\$356,197	100.00%	\$363,465	\$(7,268)	(2.00%)

Expenditures	FYE 2014 Amount	Percent of Total	FYE 2013 Amount	Increase (Decrease) from FYE 2013	Percent Increase (Decrease)
General government	\$145,269	35.58%	\$149,361	\$(4,092)	(2.74%)
Public Safety	18,191	4.46%	38,539	(20,348)	(52.80%)
Streets	35,618	8.72%	28,735	6,883	23.95%
Sanitation	63,132	15.46%	61,433	1,699	2.77%
Culture and recreations	13,338	3.27%	9,540	3,798	39.81%
Capital outlays	132,723	32.51%	22,063	110,660	501.56%
Total Expenditures	\$408,271	100.00%	\$309,671	\$98,600	31.84%

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

Proprietary Funds

The Village's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

General Fund Budgetary Highlights

Original budgeted revenues were \$385,500 and expenditures were \$531,000. The original budget was amended during the year to decrease intergovernmental revenues, charges for services and rental income in the amount of \$6,000, \$5,000 and \$4,000, respectively, and licenses and permits increased \$12,000. The Village also amended the capital outlay account to decrease the original budgeted amount by \$71,500.

Budgeted revenues exceeded actual amounts by \$21,103. Budgeted expenditures exceeded actual amounts by \$51,229.

Capital Assets

The Village's net investment in capital assets for its governmental and business-type activities as of December 31, 2014, amounts to \$3,454,974, which represents a net decrease of \$30,756 or .72%.

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land	\$88,500	\$88,500	-	-	\$88,500	\$88,500
Construction in progress	-	-	-	1,428,923	-	1,428,923
Buildings & improvements	142,148	154,407	-	-	142,148	154,407
Vehicles	15,539	29,891	-	-	15,539	29,891
Machinery and equipment	118,184	54,079	146	2,410	118,330	56,489
Infrastructure	141,960	114,336	-	-	141,960	114,336
Utility property	-	-	3,748,001	2,412,778	3,748,001	2,412,778
Totals	\$506,331	\$441,213	\$3,748,147	\$3,844,111	\$4,254,478	\$4,285,324

Long-Term Debt

At December 31, 2014, the Village had total debt outstanding of \$816,230. Of this total, \$20,429 is due within one year and \$795,801 is due in more than one year.

**Outstanding Debt
December 31, 2014**

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Governmental Activities:				
Claims payable	\$ 16,726	\$ -	\$ -	\$ 16,726
Business-type activities				
USDA loans	\$ 818,941	\$ -	\$ 19,437	\$ 799,504
	\$ 835,667	\$ -	\$ 19,437	\$ 816,230

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

Other Factors Affecting the Village

The Village of Napoleonville's management approach is conservative. When possible, the Mayor and Aldermen attempt to provide services for the Village based on existing revenues and to finance long-term projects only when absolutely necessary. The Village also attempts to keep sewer rates at the minimum required to cover the costs of the sewer system operations. The last increase in sewer rates occurred in September 2005, where the Board raised sewer rates by \$2.25.

Economic Factors and Next Year's Budgets

The Village of Napoleonville's revenue mainly consists of Sales Taxes, Ad Valorem Taxes, Fines & Forfeitures, and Licenses and Permits. These revenues are dependent on the economic conditions of the area. Budgeted revenues and expenditures are projected to be consistent with 2014.

Contacting the Village's Financial Management

This financial report is designed to provide the Village's citizens, taxpayers, customers, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to the Village of Napoleonville, 123 Jefferson Street, Napoleonville, LA 70390, telephone (985) 369-6365.

VILLAGE OF NAPOLEONVILLE
STATEMENT OF NET POSITION
DECEMBER 31, 2014

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Current			
Cash	\$ 137,015	\$ 67,900	\$ 204,915
Receivables-			
Ad valorem taxes	12,942	-	12,942
Sales taxes	6,224	-	6,224
Garbage assessment	4,541	-	4,541
Franchise fees	1,960	-	1,960
Grant	1,298	3,433	4,731
Other	1,945	11,123	13,068
Due from other funds	18,233	-	18,233
Total current assets	184,158	82,456	266,614
Noncurrent Assets			
Restricted cash	-	94,627	94,627
Capital assets, net of accumulated depreciation	506,331	3,748,147	4,254,478
Total noncurrent assets	506,331	3,842,774	4,349,105
TOTAL ASSETS	\$ 690,489	\$ 3,925,230	\$ 4,615,719
<u>LIABILITIES</u>			
Current Liabilities			
Accounts payable	\$ 9,369	\$ -	\$ 9,369
Accrued liabilities	6,534	2,902	9,436
Due to other funds	-	18,233	18,233
Current portion of long-term debts	-	20,429	20,429
Total current liabilities	15,903	41,564	57,467
Non-current liabilities			
Claims payable	16,726	-	16,726
Long-term debts	-	779,075	779,075
Total noncurrent liabilities	16,726	779,075	795,801
TOTAL LIABILITIES	32,629	820,639	853,268
<u>NET POSITION</u>			
Net investment in capital assets	506,331	2,948,643	3,454,974
Restricted for:			
Debt service	-	94,627	94,627
Unrestricted	151,529	61,321	212,850
TOTAL NET POSITION	\$ 657,860	\$ 3,104,591	\$ 3,762,451

The accompanying notes are an integral part of this financial statement.

VILLAGE OF NAPOLEONVILLE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total	
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		Business-Type Activities
ACTIVITIES							
Governmental:							
General government	\$ 156,257	\$ 72,888	\$ -	\$ 46,877	\$ (36,492)	\$ -	\$ (36,492)
Police	31,054	3,171	-	-	(27,883)	-	(27,883)
Streets and drainage	62,889	-	-	-	(62,889)	-	(62,889)
Sanitation	63,132	52,976	-	-	(10,156)	-	(10,156)
Culture and recreation	29,821	18,930	-	-	(10,891)	-	(10,891)
Total governmental activities	343,153	147,965	-	46,877	(148,311)	-	(148,311)
Business-type:							
Utility	180,303	104,416	-	5,884	-	(70,003)	(70,003)
Total business-type activities	180,303	104,416	-	5,884	-	(70,003)	(70,003)
Total Primary Government	\$ 523,456	\$ 252,381	\$ -	\$ 52,761	(148,311)	(70,003)	(218,314)
General Revenues:							
Taxes:							
Property taxes, net					41,242	-	41,242
Sales and use taxes					96,668	-	96,668
Franchise taxes					18,090	-	18,090
Intergovernmental					4,675	-	4,675
Investment income					93	55	148
Miscellaneous					587	-	587
Total general revenues and transfers					161,355	55	161,410
Change in net position					13,044	(69,948)	(56,904)
Net position - January 1, 2014					644,816	3,174,539	3,819,355
Net position - December 31, 2014					\$ 657,860	\$ 3,104,591	\$ 3,762,451

The accompanying notes are an integral part of this financial statement.

VILLAGE OF NAPOLEONVILLE
BALANCE SHEET
GOVERNMENTAL FUND
DECEMBER 31, 2014

ASSETS

Cash and cash equivalents	\$ 137,015
Receivables -	
Ad valorem taxes	12,942
Sales taxes	6,224
Garbage assessment	4,541
Franchise fees	1,960
Grant	1,298
Other	1,945
Due from other funds	18,233
Total assets	\$ 184,158

LIABILITIES

Accounts payable	\$ 9,369
Accrued payroll liabilities	6,534
Total liabilities	15,903

FUND BALANCE

Unassigned	168,255
Total fund balance	168,255
Total liabilities and fund balance	\$ 184,158

The accompanying notes are an integral part of this financial statement.

VILLAGE OF NAPOLEONVILLE
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2014

Total fund balance - Governmental Fund		\$	168,255
Cost of capital assets at December 31, 2014	\$1,397,895		
Less: accumulated depreciation as of December 31, 2014	<u>(891,564)</u>		506,331
Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.			
Long-term debt - claims payable			<u>(16,726)</u>
Total net position at December 31, 2014 - Governmental Activities		\$	<u><u>657,860</u></u>

The accompanying notes are an integral part of this financial statement.

VILLAGE OF NAPOLEONVILLE
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2014

REVENUE

Taxes	\$ 156,000
Intergovernmental revenue	51,552
Charges for services	52,976
Fines and forfeitures	3,171
Licenses and permits	72,888
Rental Income	18,930
Investment income	93
Miscellaneous	587
Total revenues	<u>356,197</u>

EXPENDITURES

Current:	
General government	145,268
Public Safety	18,191
Streets	35,618
Sanitation	63,132
Culture & Recreation	13,338
Capital Outlay:	
General government	<u>132,724</u>
Total expenditures	<u>408,271</u>

Deficiency of Revenues over expenditures	(52,074)
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Fund Balance, Beginning of Year	<u>220,329</u>
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Fund Balance, End of Year	<u><u>\$ 168,255</u></u>
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The accompanying notes are an integral part of this financial statement.

VILLAGE OF NAPOLEONVILLE
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
DECEMBER 31, 2014

Net change in fund balance - Governmental funds \$ (52,074)

The change in net position reported for governmental activities in the statement of activities is different because:

Capital assets:

Capital outlay capitalized	\$ 132,724	
Depreciation expense for the year ended December 31, 2014	<u>(67,606)</u>	<u>65,118</u>

Change in net position of governmental activities \$ 13,044

The accompanying notes are an integral part of this financial statement.

VILLAGE OF NAPOLEONVILLE
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2014

	<u>Enterprise Fund</u>
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 67,900
Receivables (net of allowance)	10,350
Grants receivable	3,433
Other receivables	773
Total Current Assets	<u>82,456</u>
Noncurrent assets:	
Restricted cash	94,627
Capital assets, net of accumulated depreciation	<u>3,748,147</u>
Total noncurrent assets	<u>3,842,774</u>
Total Assets	<u><u>\$ 3,925,230</u></u>
<u>LIABILITIES</u>	
Current liabilities	
Due to general fund	\$ 18,233
Accrued interest payable	2,902
Current portion of long-term debt	<u>20,429</u>
Total Current Liabilities	<u>41,564</u>
Non-current liabilities	
Long-term debt	<u>779,075</u>
Total Non-Current Liabilities	<u>779,075</u>
Total liabilities	<u>820,639</u>
<u>NET POSITION</u>	
Net investment in capital assets	2,948,643
Restricted	94,627
Unrestricted	<u>61,321</u>
Total Net Position	<u>3,104,591</u>
Total Liabilities and Net Position	<u><u>\$ 3,925,230</u></u>

The accompanying notes are an integral part of this financial statement.

VILLAGE OF NAPOLEONVILLE
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2014

	Enterprise Fund
OPERATING REVENUES	
Charges for service - Sewer charges	\$ 104,416
Total operating revenues	<u>104,416</u>
OPERATING EXPENSES	
Sewer	42,911
Depreciation	98,415
Total operating expenses	<u>141,326</u>
OPERATING LOSS	<u>(36,910)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	55
Grant Proceeds	5,884
Interest expense	(38,977)
Total non-operating revenues	<u>(33,038)</u>
Change in net position	(69,948)
Total net position - beginning	<u>3,174,539</u>
Total net position - ending	<u><u>\$ 3,104,591</u></u>

The accompanying notes are an integral part of this financial statement.

VILLAGE OF NAPOLEONVILLE
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2014

	<u>Enterprise Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 103,643
Payments for goods and services	(42,911)
Net cash provided by operating activities	<u>60,732</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Income	55
Net cash provided by investing activities	<u>55</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments of loans due to other funds	7,949
Net cash provided by noncapital financing activities	<u>7,949</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from grants	2,450
Capital asset additions	(2,451)
Payment on debt obligations	(19,437)
Interest payments on debt obligations	(38,977)
Net cash used in capital and related financing activities	<u>(58,415)</u>
Net increase in cash and cash equivalents	10,321
Cash and cash equivalents - December 31, 2013	152,206
Cash and cash equivalents - December 31, 2014	<u>\$ 162,527</u>
RECONCILIATION OF CASH	
Cash and cash equivalents	\$ 67,900
Restricted cash	<u>94,627</u>
Total Cash	<u>\$ 162,527</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:	
Operating loss	\$ (36,910)
Adjustments to reconcile operating income to net cash used by operating activities -	
Depreciation	98,415
Increase in other receivables	(773)
Net cash provided by operating activities	<u>\$ 60,732</u>

The accompanying notes are an integral part of this financial statement.

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Village of Napoleonville, Louisiana (the "Village") was incorporated under the provisions of the Lawrason Act (LSA-RS 33:321). The Village operates under a Mayor-Board of Aldermen Council form of government. The Mayor and each of the three aldermen are elected at-large for four-year terms. The Mayor and Aldermen are compensated per diem for each meeting attended; in addition, the Mayor receives a salary. The estimated population is 686. The Village provides police protection, services to maintain and develop streets, drainage, and sanitation, general and administrative services, and utilities services for area residents. The Village provides sewer services to customers inside and outside of the Village limits. The Village employs 6 full-time employees in addition to the Mayor and Board of Aldermen.

As the municipal governing authority, for reporting purposes, the Village of Napoleonville is considered a separate financial reporting entity. The financial reporting entity consists of [a] the primary government (municipality), [b] organizations for which the primary government is financially accountable, and [c] other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Code Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Village is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. Fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. There are no other component units which the Village of Napoleonville has an oversight relationship.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are presented as separate columns in the fund financial statements.

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Village reports the following major governmental funds:

The *General Fund* is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds.

The Village reports the following major proprietary funds:

The *Enterprise Fund* accounts for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user fees, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The village has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule, if applicable, are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are user charges for the services provided by the enterprise funds. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and cash equivalents

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Village of Napoleonville, Louisiana to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectible amounts.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>
General Purposes	6.65	6.65
Maintenance Purposes	6.96	6.96

Sales Taxes are levied at 1% percent. The proceeds of this sales and use tax are dedicated to general purposes.

Restricted Net Position

Certain proceeds of the Enterprise Fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable debt covenants.

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Village maintains a threshold level of \$500 or more for capitalizing capital assets.

As a Phase III government (a government with annual revenues of less than \$10 million), the Village elected not to retroactively report infrastructure assets prior to implementation. Historically, a government's largest group of assets, infrastructure assets (roads, bridges, street lighting, etc.) have not been reported nor depreciated in governmental financial statements. As a Phase III government, the Village of Napoleonville is not required to retroactively report infrastructure in the Statement of Net Assets under the guidance of the Governmental Accounting Standards Board. The Village is however required to disclose in the notes to the financials statements any infrastructure items that were omitted from the financial statements. As of December 31, 2014, none of the roads, bridges or street lighting contained within the village corporate limits were included in the Statement of Net Position.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend their lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All capital assets, other than land, are depreciated using the straight-line basis over the following useful lives:

Buildings and Improvements	20 - 40 Years
Infrastructure	25 Years
Vehicles and Equipment	5 - 15 Years
Sewer Utility System	20 - 40 Years

Compensated Absences

In the government-wide financial statements, the Village employee's leave is recorded as a long-term liability. As of December 31, 2014 there was not any compensated absence liability.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental fund when leave is taken.

Long-Term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long-Term Obligations (continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

Nonspendable – represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted – represents balances where constraints have been established by parties outside the Village or imposed by law through constitutional provisions or enabling legislation.

Committed – represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision-making authority.

Assigned – represents balances that are constrained by the Village's intent to be used for specific purposes, but are not restricted nor committed.

Unassigned – represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Village will reduce restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned and unassigned amounts are available, the Village will reduce committed amounts first, followed by assigned amounts, and then unassigned amounts.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position is presented on page 12 of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities is presented on page 14 of the basic financial statements.

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted Net Position

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use either:

Externally imposed by creditors (such as debt covenants), grants contributors, laws, or regulations of other governments; or

Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 2 - STEWARDSHIP, COMPLIANCE and ACCOUNTABILITY

The Village uses the following budget practices:

1. The Village Clerk prepares a proposed budget and submits to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving the increase in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the general and enterprise funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for enterprise funds are presented on the accrual basis of accounting. Other governmental funds are presented on the modified accrual basis of accounting. Accordingly, the budgetary comparison schedules present actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. All budgetary amounts presented reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

NOTE 3 - CASH AND CASH EQUIVALENTS

At December 31, 2014, the Village has cash and cash equivalents, including restricted cash (book balances) totaling \$299,542 as follows:

Interest-Bearing Demand Deposits	\$ 143,324
LAMP	156,218
Total Cash at December 31, 2014	<u>\$ 299,542</u>

These deposits are stated at cost, which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2014, the Village has \$150,865 in interest-bearing demand deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance.

Investments held at December 31, 2014 consist of \$156,218 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at December 31, 2014 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

Certain cash and investment deposit balances are restricted in that they comprise reserves that are required to be maintained under various bond indentures. See also Note 7. The following is a schedule of restricted cash and investment balances at December 31, 2014:

<u>Proprietary Fund</u>	<u>Amount</u>
Debt Service	<u>\$ 94,627</u>
Total	<u>\$ 94,627</u>

NOTE 4 - RECEIVABLES

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts are based upon historical trends and the period aging and write-off of accounts receivable. Major receivables balances for the governmental activities include sales taxes, ad valorem taxes, franchise taxes, occupational licenses, fines, and grants. Business-type activities report utilities earnings as their major receivable.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, ad valorem taxes, franchise taxes, occupational licenses, fines, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded only if paid within 60 days since they would be considered both measurable and available. Proprietary fund revenues consist of all revenues earned at year-end and not yet received. Utility accounts receivable comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging and write-off of accounts receivable.

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 5 - LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended December 31, 2014:

	Balance <u>12/31/2013</u>	<u>Payments</u>	<u>Additions</u>	Balance <u>12/31/2014</u>	Due Within <u>One Year</u>
Governmental Funds					
Claims Payable	\$ 16,726	\$ -	\$ -	\$ 16,726	\$ -
<u>Total governmental funds</u>	<u>16,726</u>	<u>-</u>	<u>-</u>	<u>16,726</u>	<u>-</u>
 Proprietary Fund					
1989 Sewer Revenue Bond	224,367	9,303	-	215,064	9,877
2001 Sewer Revenue Bond	281,160	5,494	-	275,666	5,711
2006 Sewer Revenue Bond	313,414	4,640	-	308,774	4,841
<u>Total proprietary fund</u>	<u>818,941</u>	<u>19,437</u>	<u>-</u>	<u>799,504</u>	<u>20,429</u>
 Total long-term debt	<u>\$ 835,667</u>	<u>\$ 19,437</u>	<u>\$ -</u>	<u>\$ 816,230</u>	<u>\$ 20,429</u>

Long-term debt obligations for the primary government at December 31, 2014 comprised of the following:

Governmental Activities

Claims payable	<u>\$ 16,726</u>
Total long-term debt from governmental activities	<u>\$ 16,726</u>

Business-Type Activities

Revenue Bonds

\$336,500 Sewer Revenue Bond secured by a pledge of sewer revenues, due in monthly installments of \$1,876 through December 11, 2029; interest at 6.0%	\$ 215,064
\$331,000 Sewer Revenue Bond secured by a pledge of sewer revenues, due in monthly installments of \$1,503 through December 3, 2041; interest at 4.5%	275,666
\$340,000 Sewer Revenue Bond secured by a pledge of sewer revenues, due in monthly installments of \$1,489 through March 3, 2046; interest at 4.25%	<u>308,774</u>
Total long-term debt from business-type activities	<u>\$ 799,504</u>

VILLAGE OF NAPOLEONVILLE**Napoleonville, Louisiana****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2014****NOTE 5 - LONG-TERM OBLIGATIONS (continued)**

The annual requirements to amortize all debt outstanding at December 31, 2014, are as follows:

	USDA - 1989		USDA - 2001		USDA - 2006		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest
2015	9,876	12,635	5,711	12,322	4,842	13,028	20,429	37,985
2016	10,451	12,060	6,008	12,025	5,015	12,855	21,474	36,940
2017	11,130	11,381	6,284	11,749	5,269	12,601	22,683	35,731
2018	11,817	10,694	6,573	11,460	5,497	12,373	23,887	34,527
2019	12,546	9,965	6,843	11,190	5,735	12,135	25,124	33,290
2020 - 2024	75,284	37,271	39,376	50,788	32,556	56,796	147,216	144,855
2025 - 2029	83,960	11,321	49,293	40,871	40,293	49,059	173,546	101,251
2030 - 2034	-	-	61,710	28,454	49,816	39,536	111,526	67,990
2035 - 2039	-	-	77,252	12,912	61,594	27,758	138,846	40,670
2040 - 2044	-	-	16,616	386	76,150	13,202	92,766	13,588
2045 - 2046	-	-	-	-	22,007	636	22,007	636
	<u>\$215,064</u>	<u>\$105,327</u>	<u>\$275,666</u>	<u>\$192,157</u>	<u>\$308,774</u>	<u>\$249,979</u>	<u>\$799,504</u>	<u>\$547,463</u>

NOTE 6 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2014 for **governmental activities** is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$88,500	\$ -	\$ -	\$88,500
Total Capital Assets Not Being Depreciated	88,500	-	-	88,500
Capital Assets Being Depreciated:				
Buildings and improvements	640,694	6,167	-	646,861
Infrastructure	310,000	40,647	-	350,647
Vehicles	75,539	-	-	75,539
Equipment	150,438	85,910	-	236,348
Total Capital Assets Being Depreciated	1,176,671	132,724	-	1,309,395
Less Accumulated Depreciation for:				
Buildings and improvements	(486,288)	(18,425)	-	(504,713)
Infrastructure	(195,663)	(13,024)	-	(208,687)
Vehicles	(45,648)	(14,352)	-	(60,000)
Equipment	(96,359)	(21,805)	-	(118,164)
Total Accumulated Depreciation	(823,958)	(67,606)	-	(891,564)
Capital Assets Being Depreciated, Net	352,713	65,118	-	417,831
Governmental Activities Capital Assets, Net	<u>\$441,213</u>	<u>\$ 65,118</u>	<u>\$ -</u>	<u>\$506,331</u>

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

NOTE 6 - CAPITAL ASSETS (continued)

Depreciation expense was charged to the functions of the primary government as follows:

Governmental activities:	
General government	\$ 10,988
Public safety – police	12,863
Streets and drainage	27,271
Culture and recreation	16,484
	<hr/>
Total depreciation expense – governmental activities	\$ 67,606

Capital assets and depreciation activity as of and for the year ended December 31, 2014 for **business-type activities** is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Construction in Progress	\$ 1,428,923	\$ 2,451	\$(1,431,374)	\$ -
Total Capital Assets Not Being Depreciated	1,428,923	2,451	(1,431,374)	-
Capital Assets Being Depreciated:				
Sewer Utility System	1,185,680	-	-	1,185,680
Improvements	2,660,348	1,431,374	-	4,091,722
Equipment	16,361	-	-	16,361
Total Capital Assets Being Depreciated	3,862,389	1,431,374	-	5,293,763
Less Accumulated Depreciation for:				
Sewer System	(859,618)	(29,642)	-	(889,260)
Improvements	(573,632)	(66,509)	-	(640,141)
Equipment	(13,951)	(2,264)	-	(16,216)
Total Accumulated Depreciation	(1,447,201)	(98,415)	-	(1,545,616)
Business-Type Activities Capital Assets, net	\$ 3,844,111	\$ 1,335,410	\$(1,431,374)	\$ 3,748,147

NOTE 7 - RESTRICTED ASSETS and RESTRICTED NET POSITION

Under the terms of the USDA loan agreements, the Village is to make monthly deposits into a Bond Reserve Fund (5% of the annual debt payment) and Depreciation & Contingency Fund (\$156 per month). As of December 31, 2014, the status of these accounts is as follows:

	Cash on Deposit	Amount Required per USDA
Bond reserve fund	\$ 47,013	\$ 46,784
Bond depreciation and contingency fund	47,614	47,446
Total	<hr/> \$ 94,627	<hr/> \$ 94,230

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 8 - PENSION PLANS

The Village of Napoleonville, Louisiana participated in a Municipal Employees Retirement Plan (MERS) and in the Municipal Police Employee Retirement Plan (MPERS). The plan covers employees who are employed by the Village for at least 6 months.

MERS-

All of the Village of Napoleonville's full-time non-police employees participate in the Municipal Employees Retirement System Plan "B" ("System"), a multiple-employer public employee retirement system. The payroll for employees covered by the System for the year ended December 31, 2014, was \$27,954; the Village's total payroll was \$83,732. The system provides retirement benefits to employees of all incorporated villages, towns, and cities within the State which do not have their own retirement system and which elect to become members of the System. The System was established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana. Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week, not participating in another public funding retirement system and under age sixty at date of employment.

Any member of Plan B can retire providing he meets one of the following criteria:

1. Age fifty-five with thirty years of creditable service.
2. Age sixty with a minimum of ten or more years of creditable service.
3. Under age sixty with ten years of creditable service eligible for disability benefits.
4. Survivor's benefits require twenty years creditable service at death of member.

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two per cent of the member's final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Covered employees are required by State statute to contribute 5.00% of their salary to the plan. The Village was required by the same statute to contribute 8.75% from January 1, 2014 to December 31, 2014. The contribution requirement for the years ended December 31, 2014, 2013, and 2012, were \$2,445, \$2,000, and \$2,092 respectively.

Trend information showing the progress of the System in accumulating sufficient assets to pay benefits when due is presented in its annual financial reports. Copies of these reports may be obtained from the Municipal Employees Retirement System of Louisiana.

MPERS-

All of the Village of Napoleonville's full-time police employees participate in the Municipal Police Employees Retirement System ("System"), a multiple-employer public employee retirement system. The payroll for employees covered by the System for the year ended December 31, 2014, was **zero**; the Village's total payroll was \$83,732.

Membership is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he does not have to pay social security and providing he meets the statutory criteria.

Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233.

Any member is eligible for normal retirement after he has been a member of the System for one year, if he has 25 years of creditable service at any age, or has 20 years of creditable service and is age 50, or has 12 years creditable service and is age 55.

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 8 - PENSION PLANS (continued)

MPERS – (continued)

Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

A member is eligible to receive disability benefits if he was an active contributing member of the system, or if he is no longer a member but has 20 years creditable service established in the System, and suffers disability which has been certified by examination by a member of the State-wide Medical Disability Board. A service-related disability requires no certain number of years of creditable service; however, a non-service connected disability requires five years of creditable service.

The disability benefits are calculated at three percent of average final compensation multiplied by years of creditable service, but shall not be less than forty percent nor more than sixty of average final compensation. Upon reaching the age required for regular retirement, the disability pensioner receives the greater of disability benefit or accrued benefit earned to date of disability.

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation.

A member is eligible upon receiving 25 years of credit regardless of age or 20 years of credit and attaining the age of 50, to elect to enter the deferred retirement option plan (DROP). Upon filing the application for the program, the employee's active membership in the system is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is specified for a period of three years or less. If employment is terminated after the three year period the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the system shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis.

Covered employees are required by State statute to contribute 10.00% of their salary to the plan. The Village was required by the same statute to contribute 31.5%. The contribution requirement for the year ended December 31, 2014, 2013 and 2012 was **zero**, because no employees participated during these years.

Trend information showing the progress of the System in accumulating sufficient assets to pay benefits when due is presented in its annual financial reports. Copies of these reports may be obtained from the Municipal Police Employees Retirement System of Louisiana.

NOTE 9 - RISK MANAGEMENT

The Village is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, injuries, natural disasters, and many other unforeseeable events. The Village purchases commercial insurance policies and bonds for any and all claims related to the aforementioned risks. The Village's payment of the insurance policy deductible is the only liability associated with these policies and bonds. There has been no significant decrease in insurance coverage from the prior year, and the amount of settlements has not exceeded the insurance coverage for the past three fiscal years.

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 10 – COMPENSATION to BOARD MEMBERS

Each member of the Board of Commissioners receives a per diem allowance for attending regular or special meetings of the Board. Each board member was paid the following amounts for meetings attended in 2014:

	<u>Amount</u>
Ron J. Animashaun, Mayor	\$25,900
Joyce Bell, Alderman	6,440
Richard Bilello, Alderman	6,440
Renard Southall, Alderman	6,440
Total	<u>\$45,220</u>

NOTE 11 – RECLASSIFICATIONS

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

NOTE 12 - INTERFUND RECEIVABLES/PAYABLES

The following is a detailed list of interfund balances reported in the fund financial statements on December 31, 2014:

	<u>Due From Other Funds</u>	<u>Due From Other Funds</u>
General Fund	\$18,233	\$ -
Enterprise Fund	-	18,233
	<u>\$18,233</u>	<u>\$18,233</u>

Transfers from the general fund to other funds are to provide supplemental funds for fund operations. These balances are not expected to be repaid within a year.

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 19, 2015, and has determined that there were no events that require disclosure.

No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

VILLAGE OF NAPOLEONVILLE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 161,000	\$ 162,000	\$ 156,000
Intergovernmental revenue	54,000	48,000	51,552
Charges for services	55,000	50,000	52,976
Fines and forfeitures	7,000	3,000	3,171
Licenses and permits	81,000	93,000	72,888
Rental Income	24,000	20,000	18,930
Investment income	500	100	93
Miscellaneous	3,000	1,200	587
Total revenues	<u>385,500</u>	<u>377,300</u>	<u>356,197</u>
EXPENDITURES			
Current:			
General government	157,200	157,200	145,268
Public safety	43,800	43,800	18,191
Streets	32,000	32,000	35,618
Sanitation	65,000	65,000	63,132
Culture & Recreation	11,500	11,500	13,338
Capital Outlay:			
General government	221,500	150,000	132,724
Total expenditures	<u>531,000</u>	<u>459,500</u>	<u>408,271</u>
Excess of revenues over expenditures	(145,500)	(82,200)	(52,074)
Fund Balance, Beginning of year	<u>216,535</u>	<u>220,329</u>	<u>220,329</u>
Fund Balance, End of year	<u><u>\$ 71,035</u></u>	<u><u>\$ 138,129</u></u>	<u><u>\$ 168,255</u></u>

VILLAGE OF NAPOLEONVILLE
SCHEDULE OF COMPENSATION, BENEFITS
AND OTHER PAYMENTS TO CHIEF EXECUTIVE OFFICER
YEAR ENDED DECEMBER 31, 2014

CHIEF EXECUTIVE OFFICER: Ron Animashaun, Mayor

	<u>Totals</u>
Salary	\$ 25,900
Expense Allowance	0
Benefits-Retirement	0
Benefits Deferred Comp	0
Benefits-Insurance	964
Cellphone provided by Village	1,182
Continuing Education	0
Membership Dues	0
Conference Registration Fees	165
Travel & Meals	421
	<u>\$ 28,632</u>



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

**The Honorable Ron Animashaun
and Members of the Village Council
Village of Napoleonville, Louisiana**

We have audited, in accordance with auditing standards generally accepted in the United States of America and all the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the Village of Napoleonville, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Village of Napoleonville's basic financial statements and have issued our report thereon dated June 19, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2014-01 and 2014-02.

Village of Napoleonville's Response to Findings

Village of Napoleonville's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. Village of Napoleonville's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express such an opinion.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Methivilly

June 19, 2015

Gonzales, Louisiana

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED DECEMBER 31, 2014

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expressed an unmodified opinion on the financial statements of the Village of Napoleonville.
2. No significant deficiencies relating to the audit of the financial statements are reported in the report on compliance and internal control.
3. Two instances of noncompliance material to the financial statements of the Village of Napoleonville were disclosed during the audit.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

COMPLIANCE WITH STATE LAWS AND REGULATIONS

2014-01 Public Bid Law

Condition: The Village purchased signs and related accessories at three different times during the year from one vendor. Each transaction exceeded \$10,000 but was less than \$30,000, however, collectively, the Village purchased \$56,424 of signs and related accessories from the vendor. The Village did not advertise for bids the total amount purchased for signs and related accessories, nor was bids solicited for each of the individual purchases. The Village did not comply with bid law for the acquisitions.

Criteria: According to Louisiana Public Bid Law, the Village is required to obtain and document at least three telephone or facsimile quotes, obtain written confirmation of accepted offer and if a lower quote than the accepted quote a reason for rejection for purchases in excess of \$10,000 but less than \$30,000. For purchases of \$30,000 or greater, advertisements for bids are to be published and let by contract to lowest bidder according to specifications.

Effect: The Village is not in compliance with public bid law.

Recommendation: The Village should evaluate items included in the capital outlay budget to ensure the Village is able to comply with public bid law requirements in a timely manner.

Management's Response: We concur with the finding. The Village will monitor purchases subject to public bid law for compliance on a prospective basis.

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED DECEMBER 31, 2014

COMPLIANCE WITH STATE LAWS AND REGULATIONS (continued)

2014-02 Louisiana Budget Law

Condition: The Village of Napoleonville's General Fund had an unfavorable variance of 5.59% of total actual revenues to budgeted total revenues.

Criteria: Louisiana Revised Statute 39:1311A(1-2) requires that the budget shall be amended when total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more and total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.

Effect: The unfavorable variance of revenues of more than five percent is a violation of Louisiana Revised State 39:1311A(1-2).

Recommendation: The Village of Napoleonville should evaluate the general fund budget during the fiscal year and amend budgets where necessary.

Management's corrective action plan: Management of the Village concurs and will monitor the budget closely throughout the year to ensure the budget is amended appropriately as necessary.

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2014

A. FINDINGS – FINANCIAL STATEMENT AUDIT

None

B. FINDINGS – COMPLIANCE

None

Supplementary Information Required by USDA

Schedule of Sewer Customers and Rates

At December 31, 2014, the Village billed the following number of customers:

Rate Code/Description	Customers	Rate
Type 1		\$22.00 per month flat rate
Type 2		\$25.00 per month flat rate
Aysenne Rental Partnership	1	\$500.00 per month flat rate
Assumption Properties II	1	\$250.00 per month flat rate

Schedule of Aged Accounts Receivable

At December 31, 2014, the Village's accounts receivable was as follows:

Balances	Customers	Aging
\$6,867	349	Current
3,020	44	31 - 60 Days
463	9	61 - 90 Days
-	-	Over 91 Days
<u>\$10,350</u>		

Schedule of Insurance in Force

Issuer/Insurer	Type of Insurance	Limit Description	Coverage	Effective Dates
Louisiana Municipal Risk Management Agency	Commercial General Liability	Sewer Plant	\$500,000	5/1/2014 to 5/1/2017

Mayor and Board of Aldermen

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